**Tarrant County Texas** 

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NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING ANY OR ALL SECURITY NUMBER. Suzanne Henderson

XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of August , 2008, between Robert Alan Hope and wife, Connie L. Hope, Lessor (whether one or more), whose address is: 8633 Madison Drive North Richland Hills, Texas 76180, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines are employee houses and other structures from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

0.302 Acres, more or less, out of the J. B. Edens Survey, Abstract No. A-499, and being Block 3 Lot 19 of Stoney Ridge Addition, an addition to the City of North Richland Hills, Tarrant County, Texas, according to the Plat recorded in Cabinet A, Slide 3181 of the Plat Records, Tarrant County, Texas, and being those same lands more particularly described in a General Warrany Deed with Vendors Lien dated November 7, 2007 from Jack W. Welty and wife, Madge E. Welty to Robert Alan Hope recorded thereof in Document No. 1907403719, Deed Records, Tarrant County, Texas, and amendments thereof, including streets, easements and alleyways adjacent thereof, and riparian rights.

This is a non-development Oil, Gas and Mineral Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's lense.

This clause shall take precedence over any references to surface operations contained within the preprinted portion of this

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.302 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of \_3\_ years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- with no cessation for more than ninety (90) consecutive days.

  3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the posted market price of such 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor is neverage case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee of (i) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or minerals primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been were being conducted on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as fir no shut-in had said wells, but in the exercise of such diligence, Lessee is all long to running such discussions and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of producing of portions of the primary term, all such wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities of heir producing of the expiration of the expiration of said inninely day period. Lessee shall pay or tender, by or tenders at or before the end of each anniversary of the expiration of said ninety day period. Lessee shall pay or tender, by or tenders at or before the end of each anniversary of the expiration of said ninety day period. Lessee shall pay or tender, by or tenders at or before the end of each anniversary of the expiration of said ninety day period. Lessee shall pay or tender, by
- assignment or this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

  4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, puls 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to (1) gas, other than casinghead gas, (2) fluid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation age contains the same produced from wells classified as gas wells by the conservation age well or equilibrium or the same produced from wells classified as gas wells by the conservation age well to be difficult or into the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation age of the same produced from the size permitted or required by such governal order or rule. Lessee shall exercise said option as to each desired unit and enlarged to conform to the size permitted or required by such governal order or rule. Lessee shall exercise said option as to each desired unit the advantage of the same provided for in said instrument or instruments are of little or produced from the said instrument or instruments are of little or produced to the said instrument or instruments are on the conditions of the said instruments are one such provision, then such unit time and from time to time while this lease is in force, and whether efforce or after operations or production has been established either on said for all purposes, or the portion of said land included in the unit, or on other land united dinerwith. Authority of the said instruments are one said and produced the sease even though the many be mineral, and th

pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral,
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement change or division in the ownership of said land or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal certified copies of the instruments which have been properly filed for record and which evidence such change or division, supported by either originals or duly records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be after service of such notice on Lessee. Neither the service of said notice nor the doing of any action shall be brought until the lapse of sixty (60) days alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, operations conducted at a surface location off or said land or off or lands with which said land are pooled in accordance with this lease, under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing except as expressly stated.
- 15. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial three (3) year primary term for a second two (2) year term. This option may be exercised anytime during the initial primary term by delivery of payment of an additional bonus of \$20,000.00 per net mineral acre. The bonus payment shall constitute

Notary Public

DOWNA SO WHATLEY

notice to Lessor of exercise of the option. In the event above, then all terms of this lease shall remain in full fo	Lessee elects to exercise this option and makes the bonus payment some same elects to exercise this option and makes the bonus payment of the control of the
IN WITNESS WHEREOF, this instrument is executed	on the date first above written.
Robert Alan Hope	Consid L. Hope,
LESSOR: Robert Alan Hope	LESSOR: Connie L. Hope
STATE OF <u>lexas</u> } ss.  COUNTY OF <u>larrant</u> }  This instrument was acknowledged before me on the	(ACKNOWLEDGMENT FOR INDIVIDUAL)
Robert Alan Hope and wife, Connie L. Hope,	day 01200 jung
DONNA S. WHATLEY	Signature Dun S Whyn

COMMISSION EXPIRES

June 30, 2012

Seal: